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Australia

Grain and Feed

Winter Grain Situation Update

2005

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Report Highlights:

The 2005/06 winter grain season is off to a rocky start in eastern Australia, with dry conditions delaying widespread crop planting. In comparison, Western Australia is having an excellent start. A return to more normal rainfall in eastern Australia will be needed to maintain current 2005/06 production forecasts.

Includes PSD Changes: No
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Winter Grain Situation Update

Australian wheat production in 2005/06 is forecast at 23 million metric tons (MMT), while barley production is forecast at 7.3 MMT, up 12 percent and 13 percent respectively from 2004/05. These forecasts are unchanged from Post's previous reports (see GAIN Reports #AS5011 and #AS5008).

Despite these relatively favorable 2005/06 production forecasts, Australia's 2005/06 winter grain season is off to a rocky start in the major growing regions in the southeastern part of the country. To date (May 23), there has been insufficient rainfall for planting and adequate establishment of winter grain crops in large parts of South Australia, Victoria, New South Wales and Queensland. In general, the ideal planting window for grain crops in eastern and southern Australia has already passed; traditionally, the month of April represents the optimal planting month in this region as regards yield potential. Also, the current planting delays and the resulting shorter growing season are causing some switching of crops, particularly from canola to wheat and to a lesser extent barley. Winter crop planting in much of this area can still take place into the month of June.

The month of May has been abnormally warm and very dry in eastern Australia, furthering a general dry trend that stretches back several months. Most of Victoria and northern New South Wales received abundant rain in December 2004 and earlier this year, which is still benefiting soil moisture profiles in these areas. For much of the rest of New South Wales, however, the current dry trend has extended for a considerable period of time, with little moisture remaining in soil profiles. Certain areas of NSW, particularly in the center-west and south, have yet to emerge from the recent severe drought that began in 2002. Conditions also remain dry in South Australia.

By comparison, the start to the winter grain season in Western Australia is reported to be near ideal. Thus far in May, most major grain growing regions in the state have received much above average rainfall, with at least 75 mm falling in most areas, and some areas receiving as much as 200 mm, or more. These timely rainfall events have created excellent conditions for planting and early establishment of the crops.

Presently, the favorable winter grain prospects in Western Australia are helping to balance out the relatively unfavorable picture emerging in eastern Australia. However, a return to more normal rainfall in the east will be needed to maintain the current 2005/06 production forecasts.

Over the last ten years, Western Australia has accounted for an average of about 37 percent of Australia's national wheat production, followed by New South Wales (31 percent), South Australia (15 percent), Victoria (10 percent), and Queensland (6 percent).

The Australian Bureau of Agricultural and Resource Economics (ABARE) forecasts 2005/06 wheat production at 22.555 MMT and barley production at 7.272 MMT, based on conditions in March 2005. ABARE will update these 2005/06 winter crop forecasts in their Australian Crop Report, due for release on June 7, 2005.